

The complaint

Mr A complains that Bank of Scotland plc trading as Halifax didn't do enough to prevent him losing money to a scam.

Mr A has used a representative to help him bring his complaint. But, for ease of reading, I'll mostly just refer to Mr A where I also mean the representative.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In 2023 Mr A says he was a victim of a scam. He was initially befriended by someone on social media who later told him that she worked for a company and that she could help him invest in cryptocurrency. Mr A made an initial investment, which showed good returns and encouraged him to invest more. Mr A made payments through multiple banks and ultimately, as a result of the scam, across November and December 2023 he made a series of payments from his Halifax account. These were made via a variety of methods including debit card payments and transfers. The payments ranged in value from around £20 to £7,000 and all went to various cryptocurrency exchanges. Together they totalled over £47,000.

When Mr A realised he'd been the victim of a scam he complained to Halifax. He didn't think they'd done enough to help protect him. Halifax didn't agree that they'd done anything wrong, they highlighted they'd asked Mr A to call them and he didn't. And when they did later speak to him, he wasn't honest when answering their questions. Halifax didn't offer any redress. The matter was referred to our service and one of our Investigators didn't recommend it should be upheld. In summary whilst he thought Halifax should've done more than they did, he didn't think this would've uncovered the scam or prevented the loss. Mr A disagrees and has asked for an Ombudsman to review his complaint.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've reached the same outcome as our Investigator and for largely the same reasons. I know this will be disappointing for Mr A, so I'll explain why.

In the circumstances of this complaint, there is no automatic right to a refund for Mr A from Halifax. So even where payments have been made as a result of a scam, it would only be fair for me to direct that redress needs to be paid if I think there were failures by Halifax which were causal to the loss, or that there was another basis upon which to make an award such as an industry scheme. I agree with our Investigator that the payments Mr A made, were sufficiently unusual and suspicious, compared to his previous account activity, combined with that they were likely identifiably going to cryptocurrency (something which at that time would've presented an additional risk) that Halifax should've intervened. The exact

point at which this should've happened isn't material to the outcome of this complaint for the reasons I'll come to.

I also agree that Halifax didn't do all they should on the calls when they did speak to Mr A. So my consideration must naturally be if Halifax had done all they should, whether this would've resulted in discovery of the scam or have prevented Mr A from making further payments.

The evidence I've seen from the chat history between Mr A and one of the scammers is persuasive. Mr A is guided through all the steps to purchase and send on cryptocurrency. The evidence shows that Mr A shared his recovery seed for his cryptocurrency wallet with the scammer, despite him saying that he was being warned that doing so would put all his cryptocurrency at risk. I think this is indicative of how Mr A was prepared to ignore warnings and that he would be influenced by the scammer to follow their instructions.

Similarly when there was friction from Mr A's banks, this was also discussed with the scammer. On 11 December 2023 the following exchange took place with Mr A referencing what a bank of his had told him.

Mr A: *"They saying coz I spend a lot and I got nothing so far I am being scamed so they asking who is involved."*

Scammer: *"Yes of course... that's your money and you have right over your own money... You don't need to disclose much to anyone regarding how you make your money..."*

Mr A: *"Yeh but they saying I am being scamed"*

Scammer: *"...You will tell your bank normal procedure which is that your storing stocks. Let them know that your doing it yourself without no one telling you. In that case you can proceed."*

Following this, during a call with Halifax, Mr A confirmed that he wasn't being guided or helped by anyone in the background and that he wasn't transferring the cryptocurrency outside of the platform on which he was purchasing it. I find this to be persuasive evidence that Mr A would most likely follow the guidance from the scammer and continue to make payments. And I do agree that by not sharing the true position with Halifax, he made it more difficult for them to provide appropriate and effective warnings.

I don't know which bank told Mr A that he was being scammed as referenced above. But even with a bank being as direct as explicitly telling him this, it didn't prevent him making payments. I know this because that chat took place on 11 December 2023 and Mr A continued making payments from his Halifax account towards the scam until 13 December 2023 (in total there were six payments made across 12 and 13 December 2023). The chat history between Mr A and the scammer also shows that when any bank blocked his ability to make cryptocurrency purchases, he would find ways to get around this by making payments through other methods or other accounts.

With the above factors in mind, I don't think any reasonable level of intervention that could fairly have been expected of Halifax would've discovered the scam or have prevented him making the payments he did. I think the evidence is persuasive that he would've continued to make payments in the face of explicitly being told by a bank that he was being scammed and that he would've not shared the full story and would've followed the guidance of the scammer if more thorough questions and warnings had been asked / given.

For completeness, some of the payments were made via transfers and Halifax was a signatory to the Lending Standards Board's Contingent Reimbursement Model (CRM Code). This was a voluntary scheme through which victims of scams could sometimes receive redress from the banks involved. But as all the transfers went to cryptocurrency accounts in Mr A's own name, rather than directly to a scammer, the CRM Code isn't applicable. It specifically requires that any payment must be made to another person. Similarly card payments aren't covered by the CRM Code and so it can't be used as a basis to require more from Halifax.

I've noted Mr A's comments in response to our Investigator's view. These include various reasons and ways in which they believe Halifax failed to act appropriately and include the Financial Conduct Authority's (FCA) principles of business. They also include pointing out the relative imbalance in knowledge of scams between Mr A as a layperson and a major bank. I accept much of what Mr A has said in this regard. And I'm not endorsing Halifax's actions in this case as appropriate in the circumstances. Given the risks presented by the payments Mr A was instructing, I'd have expected Halifax to have done more and provided context to how common scams work and to have shared that with Mr A. I don't agree with Mr A's suggestion that it would've been reasonable for them to call him into branch and invoke the banking protocol. For the reasons I've set out, I think Mr A would've reassured Halifax as to the purpose of his payments (which he presented as just buying cryptocurrency without moving it on). So I don't think Halifax would've had reason to doubt this, to call him into branch or otherwise escalate through the stages of the banking protocol. And the overall point is that even though I agree Halifax ought to have done more, to uphold the complaint, I'd need to be persuaded that but for that failure, Mr A wouldn't have suffered the loss (or a part of it) that he did. For the reasons I've set out, I don't think that is the case.

As I don't think Halifax can fairly be said to be responsible for the loss based on the payments being made (or that they should refund them under the CRM Code), I've gone on to consider their actions when the scam was reported. As all the payments went to cryptocurrency exchange accounts in Mr A's name, I don't think there was any reasonable prospect of recovering any of the payments. Had funds remained, Mr A would've already been in control of them. And a chargeback (where appropriate) would most likely have failed as the cryptocurrency exchanges would've been able to evidence that they'd done what was expected of them in exchanging Mr A's payments to cryptocurrency. So I don't think anything Halifax did or didn't do would've impacted whether any money could've been recovered.

I'm of course sorry to hear that Mr A lost such a significant sum to cruel and callous scammers. And I hope the police are able to bring those responsible to justice. But because I don't think Halifax can fairly be said to be responsible for his loss, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 September 2025.

Richard Annandale
Ombudsman